

# Exhibit C



# VEREIT, Inc. (VER)

## Class Action Lawsuit Settled for \$765 Million

- **Settlement removes the majority of uncertainty/risk.** After the close on Monday, VER announced that it had settled the pending class-action lawsuit brought against the company (and the remaining opt-outs) for \$765.5 million which is expected to be paid in 4Q19. The settlement is a positive, as it should remove uncertainty around the stock, saves additional legal costs and allows the company to look forward toward growth. We note, however, that an SEC investigation is still outstanding which could result in additional fines (not all uncertainty removed).
- **Up to \$1 billion needed in cash.** VER has agreed to pay the \$765.5 million to settle the class-action lawsuit, though could be required to pay an additional \$237 million in cash if the former external manager and CFO decided to use OP units/dividends to fund their settlements (the additional cash outlay from VER would be offset by VER receiving the units/dividends). On this evening's call, management commented it would consider various forms of funding for the settlement (asset sales, equity, etc.) though did not provide additional color. We expect at least some of the capital to come from equity proceeds and/or asset sales as the settlement brings debt/EBITDA just over the high end of management's targeted level (now over 6x versus a targeted range of 5.5-6.0x).
- **Valuation.** Despite recent strength in VER shares (+35% YTD), the stock still trades at 14.3x our 2020 AFFO estimate - a 5-turn discount to the high quality net-lease peer group. Clearly, the lower-multiple net-lease names have started to close the gap relative to peers (YTD) and that trend is likely to continue for VER given its improved balance sheet, more attractive cost of capital and less uncertainty following this settlement. The settlement equates to ~\$0.75-80/share of NAV. Including the full settlement, our NAV stands at \$9.22.

### Valuation Synopsis

Our target valuation of \$10 is based on shares trading more in line with our NAV estimate of \$9.22. VER has seen a significant improvement in portfolio metrics, balance sheet (reduced leverage ~2-turns), corporate governance, and exited NTR REIT business over past three years.

### Risk Synopsis

Pending litigation an overhang, cost of equity disadvantage, below-average AFFO growth, outsized Red Lobster exposure, shorter average debt maturities, elevated lease expirations in the mid-term, interest rate sensitivity.

### FLASH REPORT

#### 1-Year Price Chart



#### Stock Data

Rating:	Neutral
Suitability:	Higher Risk
Price Target:	\$10
Price 9/9/19:	\$9.65
Market Cap (mil):	\$9,630
Shares Out (mil):	998.0
Average Daily Vol (mil):	10.30
Dividend Yield:	5.7%

#### Estimates

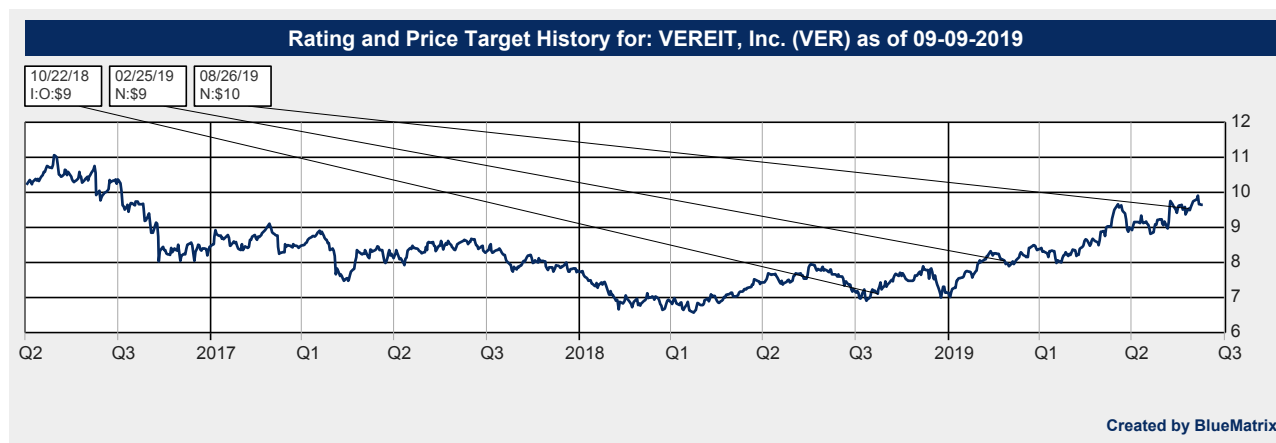
FY Dec	2018A	2019E	2020E
Q1	0.17 A	0.19 A	(0.33) E
Q2	0.08 A	0.18 A	0.17 E
Q3	0.04 A	0.18 E	0.17 E
Q4	0.16 A	0.17 E	0.17 E
<b>Fiscal FFO</b>	<b>0.44 A</b>	<b>0.72 E</b>	<b>0.17 E</b>
Fiscal P/FFO	21.9x	13.4x	56.8x
<b>AFFO</b>	<b>0.72 A</b>	<b>0.72 E</b>	<b>0.67 E</b>

Chart/Table Sources: FactSet and Baird Data.  
 Price chart reflects most recent closing price.

VEREIT owns and manages one of the largest portfolios of single-tenant commercial properties in the U.S. with approximately 4,000 properties and ~95MM square feet.

## Appendix - Important Disclosures and Analyst Certification

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